



United States
Department of
Agriculture

Office of the
Secretary

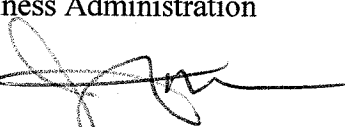
Office of Small
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AUG 28 2008

TO: Karen Hontz
Director, Government Contracting
U.S. Small Business Administration

FROM: James E. House 
Director
Office of Small and Disadvantaged Business Utilization

SUBJECT: U.S. Department of Agriculture –Small Business Procurement Scorecard
Fiscal Year (FY) 2009 Plan

Attached is the U.S. Department of Agriculture's (USDA) Small Business Procurement Scorecard Fiscal Year 2009 Plan which continues to build on our continuing small business program goal achievements.

USDA is proud of its small business accomplishments and is pleased to share with you the information requested.

If you have any questions, please feel free to contact me at 202-720-7117 or JamesE.House@usda.gov.

Attachment

**SBA Small Business Procurement Scorecard Plan
U.S. Department of Agriculture
FY 2009**

Introduction. USDA continues to be a leader in the federal government in achieving small business program prime contracting goals. At the beginning of Fiscal Year 2001, USDA's overall small business awards averaged 38 percent. USDA's overall small business prime contract awards for the past six years averaged approximately 49.3 percent. The Department has achieved this high level of small business participation because of its strong commitment to small business and because it negotiates annual goals that are significantly above the government-wide small business goal of 23%, in order to achieve the President's Small Business Agenda.

The Department negotiates the significantly higher small business goals as a means of challenging its workforce to continually strive to improve its utilization of small businesses in its daily procurement actions. The higher goals --- which for the past 5 years have been approximately 213% greater than the government-wide small business goal --- are established although on average 50 percent of the Department's annual procurement budget is spent on food commodities which include bulk grain and poultry products, product areas that provide little opportunities for small or new and emerging businesses.

USDA's aggressive goals for small business prime contracting has more recently resulted in USDA awarding 50 percent of its \$4 billion annual procurements to small businesses. USDA also exceeds its prime contracting goals for small, small disadvantaged, HUBZone, and women-owned businesses. These achievements are accomplished by the USDA procurement community working in concert with program offices to expand USDA's ability to achieve and/or exceed small business goals.

The Office of Small and Disadvantaged Business Utilization (OSDBU) utilizes an active outreach program to identify available small disadvantaged and women-owned business; expand the number of small businesses securing contracts with USDA; identify and provide assistance to underserved areas; and identify and eliminate contracting barriers that prevent or restrict small business access to USDA procurements. USDA's continued commitment to broadening this small business access to contract opportunities stimulates small business ownership and economic growth, creates jobs, and results in improving the quality of life across America.

1. Implemented strategic plan to increase the value of competitively awarded contracts to small businesses during the period.

USDA has a comprehensive set of policies that strategically aligns oversight and compliance with a proactive market development and outreach program across USDA's large decentralized mission area. The Office of Small and Disadvantaged Business Utilization (OSDBU) will develop and implement an integrated strategic and operational plan incorporating these policies and programs to increase the value of competitively awarded contracts to small business in Fiscal Year 2009.

Continuing and Planned Strategies:

- Contracts Not Set Aside for Small Business. The Office of Small and Disadvantaged Business Utilization (OSDBU) reviews all contracts over \$100,000 that will not be set-aside for small businesses. USDA Departmental Regulation 5090-001, USDA Small Business Programs – Full Small Business Participation and Clearance Process for Contracts Not Set-aside or Reserved for Small Business Participation, June 14, 2007 [www.ocio.usda.gov/directives/doc/DR5090-001.pdf] prescribes and substantially clarifies small business set-aside policies, responsibilities, and procedures for the clearance of contracts over the simplified acquisition threshold (\$100,000) not set-aside or reserved for small business participation, including bundled contracts. This Regulation added increased oversight and review capability, and linkage to the senior procurement official and chief acquisition officer for agencies contract delegations and approvals and applies to all acquisitions, including those developed and executed outside the Washington, DC, metropolitan area. The regulation states that “It is USDA policy to fully consider small businesses when conducting market research and acquisition planning, and to identify and utilize small business contractors to meet USDA requirements to the maximum extent practicable to achieve USDA program goals. Small business, as used herein, includes small, small disadvantaged, 8(a), HUBZone, Service Disabled Veteran-Owned, Veteran-Owned, and Women-Owned small businesses.” This policy addresses all acquisitions, including micro-purchases, simplified acquisitions, acquisitions over the simplified acquisition threshold (all sources, multiple award contracts – Government-wide, USDA-wide, and Agency-wide acquisition vehicles), Federal Supply Schedule purchases, and bundled acquisitions.

USDA will continue to utilize review form AD-1205, USDA Small Business Program – Procurement Review Request [www.ocio.usda.gov/forms/doc/AD1205.doc]. The form is used for review and to receive notification of those acquisitions that will not be set-aside for small business. The review and notification cover simplified acquisitions, acquisitions over the simplified acquisition threshold (all sources, multiple award contracts – Government-wide, USDA-wide, and Agency-wide acquisition vehicles), Federal Supply Schedule acquisitions, and bundled acquisitions. For those planned multiple award and Federal Supply Schedule acquisitions that do not include a small business strategy, the Director of OSDBU receives notification during the market research phase to ensure time is provided to intervene on behalf of small business.

OSDBU is aggressively taking steps to significantly increase prime contracting and subcontracting opportunities for Service Disabled Veteran-Owned Small Businesses and to carry out the requirements of Executive Order 13360 and P.L. 108-183 – The Veterans Benefits Act of 2003.

- Service Disabled Veteran-Owned Small Business Strategic Initiative. USDA will continue to implement its Service Disabled Veteran-Owned Small Business Strategic Initiative. The USDA Strategy serves as USDA's guide for executing the requirements of the Order by:

- reserving agency contracts exclusively for SDVOSBs;
- encouraging and facilitating participation by SDVOSBs in competitions for award of agency contracts;
- encouraging agency contractors to subcontract with SDVOSBs and actively monitoring and evaluating agency contractors' efforts to do so;
- training agency personnel on applicable laws and policies relating to participation of SDVOSBs in Federal contracting; and
- disseminating information to SDVOSBs that would assist these businesses in participating in awards of agency contracts.

In addition to USDA's Department-wide strategic initiative, each USDA agency has created its own strategy and in coordination with the Forecast of contracting opportunities, develops lists of contracting actions that can be potentially set aside for or sole sourced to SDVOSBs. USDA agency-specific plans contribute to and enhance the value of USDA's overall SDVOSB strategy.

USDA will continue to provide oversight to its agencies and administration of Departmental Regulation 5090-005, USDA Small Business Programs – Contracting with Service Disabled Veteran-Owned Small Businesses, September 26, 2006 [www.ocio.usda.gov/directives/doc/DR5090-005.pdf]. This issuance incorporated the contents of USDA Secretary's Memorandum 5090-001, USDA Service Disabled Veteran-Owned Small Business Strategic Initiative, issued on July 12, 2005 and codifies USDA policy requiring USDA agencies to fully consider SDVOSBs in their contracting actions. The policy outlines a partnership between the Assistant Secretary for Administration, Agency Heads, Heads of Contracting Activities, the Chief Information Officer (CIO) and Agency CIOs to achieve the 3 percent mandated goal. The Secretary's Memorandum contains a 5 percent goal for information technology (IT) contracting actions.

- Full Small Business Consideration - Intervention. The Director of OSDBU and OSDBU staff actively intervene with USDA agencies program, policy, contracting offices to ensure opportunities for small and underutilized businesses in all requirements for goods and services.
- Annual Procurement Forecast. USDA agencies will continue to develop their agency Annual Procurement Forecast of Contracting Opportunities (Forecast). The Forecast, one of USDA's most successful outreach tools, provides the small business community with the opportunity to plan for agencies upcoming contracting needs. The Forecast is updated at mid-fiscal year and periodically as changes occur within the agencies.

- Leadership for USDA Subcabinet, Agency Heads, Deputy Administrators for Management, and Heads of Contracting Activities (or Designees). The Director of OSDBU regularly provides small business goals achievement information to USDA's Subcabinet, Agency Heads, Deputy Administrators for Management, and Heads of Contracting Activities (or Designees). These individuals receive information through USDA's quarterly scorecard and annual small business awards ceremony. The Director of OSDBU also participates in USDA's Procurement Council and advises USDA's Chief Acquisition Officer and Procurement Executive.
- Leadership for Agency Small Business Specialists. OSDBU holds quarterly meetings with headquarters Agency Small Business Specialists. These meetings are used to update the Specialists on the latest regulations, policies and directives that impact the small business communities. Goals and accomplishments as well as success stories are discussed. As required, training is provided and guest speakers advise on various topics.
- Vendor Outreach Sessions. OSDBU has a monthly Vendor Outreach Session (VOS) for small businesses. Small businesses meet one-on-one with representatives from USDA's procuring activities.
- Conference Attendance. The Director of OSDBU, OSDBU staff, and USDA agencies actively participate in Small Business Conferences throughout the Fiscal Year providing presentations, exhibit booths, and one-on-one matchmaking sessions. Special emphasis is placed on participating in SBA's Matchmaking Sessions throughout the United States; and the Federal OSDBU Directors Council's Annual OSDBU Directors Procurement Conference convened in the Metropolitan District of Columbia geographical area.
- OSDBU Director's First Tuesday Association Breakfast Briefings. The Director of OSDBU hosts a popular and well attended monthly First Tuesday Association Breakfast Briefing for small business trade association representatives, their members, and other small business owners and their business development officers. The First Tuesday Briefings highlight current topics, opportunities, and challenges and serve as an open forum for information exchange between USDA, SBA representatives and small business participants. In addition, USDA's major primes attend to enable networking and awareness of subcontracting opportunities.
- Continuous Consultations to Small Businesses. OSDBU and Agency Small Business Specialists provide counsel and advice to small and underutilized small businesses seeking business with USDA using one-on-one sessions to share information, providing web links to contracting resources, and through collaborative meetings with agency representatives. USDA aggressively outreaches to small businesses and invites them to meet with OSDBU and Agency Small Business Specialists. USDA also performs on-site visits with actual and prospective small business vendors.
- SBA's Procurement Advisory Council and OSDBU Directors Council. USDA participates in SBA's monthly Small Business Procurement Advisory Council meetings and the Federal OSDBU Directors Interagency Council. The USDA OSDBU Director is the current Chair of the OSDBU Directors Council.

- USDA's Annual Small Business Procurement and AbilityOne Awards Program. USDA holds an Annual Small Business Procurement and AbilityOne Awards Program. This program recognizes small, small disadvantaged, women-owned, Historically Underutilized Business Zone (HUBZone), and service disabled veteran-owned small businesses as well as non-profit organizations that have performed in an exemplary manner. Additionally, USDA recognizes its own employees who have excelled in supporting small business contracting and AbilityOne programs.
- 2. Demonstrated top-level Agency commitment to small business contracting during the period.**

Continuing and Planned Actions:

- Top-Level Commitment and Accountability. USDA's top-level leadership regularly demonstrates their commitment to small business contracting. Small business goal achievement is communicated to the Subcabinet and Agency and Staff Heads by the OSDBU through the quarterly release of its USDA Agency Small Business Procurement SCORECARD with follow up to subordinate staffs. This SCORECARD provides agency heads an effective measurement and benchmarking tool for accomplishments and contracting strategies to further achieve small business goals.

The OSDBU SCORECARD is an essential management tool critical to the successful implementation of USDA's Small Business Program. USDA's twelve contracting agencies are scored quarterly on the following small business program elements: Small Business Procurement Accomplishments; Small Business Outreach; Small Business Set-Aside Clearances; Subcontracting Plan and Reporting Submission Compliance; Submission of Procurement Forecast; and Submission of Procurement Goals.

- USDA Acquisition Strategy Review and Approval Procedures Process. USDA recently established policy and procedures for Chief Acquisition Officer (CAO) review of acquisition activities and programs for those acquisitions with an estimated value (inclusive of all option periods, quantities and items) of \$5 million or greater, over the life of the contract. In addition, acquisition strategies for certain planned acquisitions based on dollar value, mission-impact, or as otherwise deemed appropriate by the CAO, are submitted for review and approval. Agency acquisition strategies are also reviewed to ensure full small business consideration. Agencies must provide a rationale and address market survey(s) conducted, if the planned acquisition will be unrestricted, along with a completed and signed copy of the AD-1205, USDA Small Business Program – Procurement Request Review, with their acquisition strategy package. Review of USDA's acquisition activities is essential for effective management and to ensure that business approaches effectively support the USDA mission and program objectives. A copy of USDA Agriculture Acquisition Regulation (AGAR) Advisory 83 is available at http://www.usda.gov/procurement/policy/advisories_x/agarad83.pdf.

- Top-Level Meetings. OSDBU staff meets with Agency Deputy Administrators for Management, Heads of Contracting Activity, Agency CIOs, and Agency Small Business Specialists/Coordinators to brief them on small business goal achievement and the requirements of various small business socio-economic programs. They are advised of their roles and responsibilities for implementing these requirements as outlined in laws and regulations.
- Senior-Level Official Performance Plans. The performance plans for Agency Administrators and Staff Heads contain performance elements for procurement goals for small business procurement programs. To further hold executive management accountable, these performance elements cascade to their senior staffs and supporting organizations.
- USDA's Annual Small Business Procurement and AbilityOne Awards Program. USDA holds an Annual Small Business Procurement and AbilityOne Awards Program during June of each year. This program recognizes small, small disadvantaged, women-owned, Historically Underutilized Business Zone (HUBZone), and service disabled veteran-owned small businesses as well as non-profit organizations that have performed in an exemplary manner. Additionally, USDA recognizes its own employees who have excelled in supporting small business contracting and AbilityOne programs. Top-level management support by the Secretary, Deputy Secretary, Under/Assistant Secretaries, Agency/Staff Heads is evident at this event with most attending and participating in the presentation of awards to contractors and employees.
- Agency Goals. USDA agency goals reflect their overall continued commitment to small business. All USDA agency goals meet or exceed the Federal 23 percent requirement and many strive to achieve or exceed an overall 50 percent small business goal. USDA agencies small business goals for FYs 2008 and 2009 show their commitment to ensuring full small business participation in USDA acquisitions.
- Agency-Level Service Disabled Veteran-Owned Small Business (SDVOSB) Strategies. Each agency created its own strategy and list of contracting actions for potential set aside or sole source to SDVOSBs.
- OSDBU Director's First Tuesday Trade Association Breakfast Briefing. USDA holds monthly meetings with small business trade associations and the small business community. These meetings are known throughout the small business community as the "First Tuesday Trade Association Breakfast Briefings." Information is shared by the OSDBU and agency staffs regarding a multitude of topics impacting small businesses. In addition, attendees freely share information regarding their contracting experiences with USDA and with other Federal agencies. Executive management, including the Deputy Administrators for Management, Chief Information Officers, and Small Business Specialists routinely present to the group.

3. Planned significant events to increase small business participation in the procurement process during the period.

Continuing and Planned Actions:

- Training Conference for Service Disabled Veteran -Owned Small Businesses. The U.S. Department of Agriculture (USDA) takes its responsibility to those who have served America very seriously. The Departmental Administration and the Office of Small and Disadvantaged Business Utilization are sponsoring a Training Conference for Service Disabled Veteran -Owned Small Businesses (SDVOSBs) on Wednesday, November 19, 2008. This Training will help SDVOSBs build relationships and familiarize them with the varied contracting and subcontracting opportunities that result from USDA's diverse missions at the national and regional levels.

These brave men and women who have protected our freedoms want to do business with USDA and doing business with SDVOSBs is good business. The event will utilize an interactive panel format to facilitate discussions and information exchange. Panels will include: Procurement Officials, Chief Information Officers, SDVOSB Prime Contractors, SDVOSBs awarded Blanket Purchase Agreements (BPAs), USDA large Prime Contractors, and other successful SDVOSBs working in the Federal arena.

- USDA Annual Small Business and AbilityOne Award Ceremony. USDA will conduct a small business and AbilityOne (formerly known as the Javits-Wagner-O'Day (JWOD)) award program to recognize the outstanding work achieved by its contracting community. USDA will salute all of the small, small disadvantaged, women-owned, HUBZone, service disabled veteran-owned and AbilityOne businesses that have provided exemplary services to the Department. USDA will also recognize and pay tribute to its employees who have excelled in their work with these businesses. USDA's Annual Small Business and AbilityOne Award Ceremony will be held in June.
- OSDBU Director's First Tuesday Breakfast Briefing. USDA will convene monthly meetings with trade associations and the small business community. Information will be shared by the OSDBU and agency staffs regarding a multitude of topics impacting small businesses. Attendees will be able to freely share information regarding their contracting experiences with USDA and with other Federal agencies. Executive management, including the Deputy Administrators for Management, Chief Information Officers, and Small Business Specialists will be routinely invited to present to the group.
- Vendor Outreach Sessions. OSDBU will continue to convene and expand participation in its monthly Vendor Outreach Sessions (VOS) for small businesses. Small businesses will be able to meet one-on-one with representatives from USDA's procuring activities.
- USDA Agency Events. During the year, individual USDA agencies will convene small business events throughout the country. These events will be based on national, regional, and localized needs, including those in the food commodities areas. USDA agency personnel will also attend local small business events sponsored by Congressional, State

and local governments, chambers of commerce, and others to ensure small business understand how to do or expand businesses with USDA.

In addition, USDA's two major food procuring organizations, the Agricultural Marketing Service (AMS) and the Farm Service Agency (FSA), will conduct annual industry conferences to update their suppliers on current laws and regulations governing food processing. Over 1,000 commodity vendors from across the nation, and in some instances, from around the world, are expected to attend these industry meetings (to be conducted by four different buying groups). OSDBU will play an active role in these annual meetings, and plans to work cooperatively with AMS and FSA. OSDBU representative(s) will address plenary sessions and lead workshops at the annual conferences. OSDBU and the agencies will aggressively solicit increased small business involvement and provide information about programs available to assist current and potential small business suppliers. Large businesses will be trained on their subcontracting obligations.

4. Demonstrates that small business data is accurately reported in FPDS-NG during the period.

The Federal Procurement Data System – Next Generation (FPDS-NG) was introduced in FY 2004. USDA has participated in that system from its inception and continues to use the system for a variety of purposes supporting the mission of OSDBU for full participation in USDA contracting activities. Down loads of detailed information from the FPDS permits OSDBU staff to compare and analyze current trends and to make comparisons of current year information with prior year data. This provides the staff with opportunities to highlight negative trends or to isolate problem areas and to bring such problems to the attention of management for appropriate corrective action. The OSDBU staff regularly look into the distribution of contracts between large and small business concerns, the use of various contracting vehicles (BPA's, indefinite delivery contracts, purchase orders, direct contracts, etc.), month to month changes in small business program performance, and significant changes in major buying categories (food and non-food) and sub-categories (construction, forestry, information technology and other products and services). Significant changes in the current performance of these elements are summarized and reported to senior management through regular weekly summaries and on an *ad hoc* basis as required.

OSDBU staff provides training to the various USDA small business specialists and provides one-on-one counseling and troubleshooting sessions as needed. Counseling, demonstrations, recommendations have been made to various small businesses to pursue the use of this database to further their market research. Staff is always available for consultation to USDA agencies and small business clients.

Continuing and Planned Actions:

- Verification and Validation of FPDS-NG data. USDA will submit its verification and validation of FPDS-NG data to the Office of Management and Budget (OMB), Office of Federal Procurement Policy. USDA will provide a separate letter to the General Services Administration certifying data accuracy and completeness as well.

- Accuracy of FPDS-NG Data. The USDA Chief Acquisition Officer (CAO) has established USDA-wide requirements for routine, statistically-valid data verification and validation. These requirements provide for certification of data accuracy and completeness; assign clear data verification responsibilities; and make necessary adjustments to policies, procedures, and training. USDA agencies' CAOs have established requirements for ensuring that the 2007 FPDS data and future reporting reflect accurate and timely contract information. USDA regularly reviews its FPDS-NG data to identify potential coding errors. Both USDA's Office of Procurement and Property Management and OSDDBU review this data and communicate potential errors to USDA agencies. USDA agencies then make required changes. USDA also communicates information received from the Office of Management and Budget and SBA to USDA agencies to correct coding errors. USDA's policy is contained in Agriculture Acquisition Regulation (AGAR) Advisory 84 and is available at http://www.usda.gov/procurement/policy/advisories_x/AGARAD84.pdf.
- Federal Funding Accountability and Transparency Act of 2006 Requirements. USDA has positioned itself to meet the requirements of the Federal Funding Accountability and Transparency Act of 2006. Both the Office of the Chief Financial Officer and the Assistant Secretary for Administration are actively addressing these requirements.
- Small Businesses CCR Data. OSDDBU regularly encourages businesses to update their CCR information to accurately reflect size and social-economic business status.

5. Demonstrates that policies and procedures are in place to ensure compliance with subcontracting plans and attainment of subcontracting goals during the period.

Continuing and Planned Actions:

- Subcontracting Processes. USDA has a rigorous process for reviewing and approving subcontracting plans for all acquisitions requiring subcontracting plans that meet the required threshold. As part of USDA's internal control procedures, OSDDBU implemented a formal tracking system for agency submission of subcontracting plans when required. This system assures plans are received and reviewed in an expeditious manner. In addition, OSDDBU has a senior staff analyst assigned as USDA's Subcontracting Program manager.

Subcontracting Plans are initially reviewed by the issuing Contracting Officer, and those that are approved are reviewed and signed off by senior level officials within the buying activity. Plans are then required to be submitted to the Director, OSDDBU, and are tracked by an OSDDBU Desk Officer to assure that adequate and realistic goals are established and that all the requirements of the plans are incorporated.

OSDBU and the SBA PCR review USDA agencies subcontracting plans and meet with agencies regarding their strategies when a small business acquisition strategy will not be used to ensure full small business participation for subcontracting opportunities.

- Subcontracting Policy Update. USDA will update its internal regulations to fully incorporate eSRS implementation and to provide Departmental instruction for Agency specific subcontracting requirements. USDA is awaiting the final publication of FAR Case 2005-040 to determine the impact of regulatory changes to Subcontracting Summary Reports (SSRs) on filing periods for contractors completing Commercial- type Subcontracting Plans.
- USDA Subcontracting Directory. USDA publishes a subcontracting directory annually. This directory is posted to its small business internet site [<http://www.usda.gov/da/smallbus/06SubcontractingDirectoryV6.pdf>]. USDA's annual update of the USDA Subcontracting Directory is currently in process. The Directory is used as a tool for small businesses to market USDA prime contractors. USDA prime contractors spend approximately \$800 million in subcontract awards in support of USDA programs.
- Subcontracting Goals. OSDBU has established subcontracting goals for each USDA agency as a component of an overall USDA subcontracting goal. The OSDBU Subcontracting Program Manager and in conjunction with agency's contracting staffs and SBA's resident PCR ensure that all acquisitions submit and follow appropriate subcontracting plans and activities. USDA has a subcontracting goal of 25 percent for subcontracts to small business concerns, 5 percent for subcontracts to small disadvantaged business concerns, another 5 percent for subcontracts to women-owned small business concerns, 3 percent for subcontracts to HUBZone small business concerns, 3 percent for subcontracts to veteran-owned small business concerns, and another 3 percent for subcontracts to service-disabled veteran-owned small business concerns. Prime contractors are encouraged to seek innovative ways to increase the participation of small business concerns in USDA procurements. To the extent feasible, major negotiated acquisitions contain evaluation criteria provisions which take into consideration the prime contractor's plans to subcontract with small business concerns.
- eSRS Implementation. USDA has implemented the Electronic Subcontracting Reporting System (eSRS). USDA regularly reviews eSRS to ensure agencies and businesses are reporting. The OSDBU Subcontracting Program Manager oversees the Subcontracting Program and represents USDA at eSRS meetings and Change Control Board meetings. OSDBU will continue to provide training and education for USDA agencies for full implementation of the eSRS. An SBA representative will be requested to address USDA's Small Business community on eSRS.

USDA will continue to work with its prime vendors and with its contracting community to assure that all are aware of their obligations to establish subcontracting goals and to report accomplishments in the Electronic Subcontracting Reporting System (eSRS). Agency and contractor personnel will continuously be monitored, trained and updated on progress in reporting in eSRS. The OSDBU Subcontracting Program Manager will oversee the Subcontracting Program and represent USDA at User Group meetings and on the Change Control Board. Small Business Liaisons in each major USDA buying activity

will be provided updates quarterly and they will be required to submit subcontracting plans to OSDDBU for review by the Small Business staff and the SBA PCR.

USDA will continue to update and post a "Subcontracting Directory" on its website. The Directory, which lists Small Business Liaisons and their contact information, is geared to benefit small businesses that seek to market USDA's prime vendors

- Small Business Access to Prime Contractors. USDA will coordinate and facilitate meetings of prime contractors with small businesses at USDA sponsored events. OSDDBU has initiated an awareness campaign to the many underserved farmer groups and small businesses unaware of the relationship between major manufacturers and distributors and government agencies in providing foods to public customers. Part of this effort entails technical assistance to underserved farmer cooperatives and others allowing them to engage in subcontracting opportunities with manufacturers. USDA Prime Contractor representatives are provided opportunities to address each monthly USDA First Tuesday Association Breakfast Briefing.

6. Demonstrated no unjustified bundling has taken place during the period.

USDA has implemented on-going processes to review and assess bundling activities in accordance with the Office of Federal Procurement Policy report, Contract Bundling: A Strategy for Increasing Federal Contracting Opportunities for Small Business. To date in Fiscal Year 2008, USDA had no bundled contracts.

Each month the OSDDBU staff downloads information from the FPDS. This detailed, contract level information is used to conduct analyses that highlight potential problem areas. For example, through these analyses we have studied the size, number and scope of large contracts and their impact on USDA purchasing practices including the impact of bundling. We have tracked such large contracts over several years and, to date, we have not found a bias towards the use of large contractors. Non food commodity contracts over \$1 million are awarded almost equally to large and small business concerns. The Food Industry structure, however, has become vertically integrated in the United States economy and it is therefore not possible to buy large quantities of these commodities without involving large businesses.

The OSDDBU staff members also have access to detailed information from the FPDS when reviewing agency requests for clearance to issue solicitations not being set aside for small businesses. Although rare, in cases which have the appearance of bundling, the OSDDBU staff can use the FPDS data as a basis for discussions with agency personnel regarding the development and disposition of a particular acquisition strategy.

Continuing and Planned Actions:

- On-going Review Process for Potential Bundling. For several years, OSDDBU has, as a standard procedure, reviewed each of our agencies proposed acquisitions over \$100,000 that has not been designated for small business participation. The procedures for this review process are incorporated in Departmental Regulation 5090-001 "USDA Small Business Participation and Clearance Process for Contracts Not Set-aside or Reserved for

Small Business Participation". OSDBU recently revised this regulation to incorporate policies and procedures to significantly increase oversight and accountability requirements for USDA agencies' contracting and program activities, including use of government wide acquisition vehicles (GWACS), federal supply schedules, and any bundled acquisitions.

Specifically, when the proposed acquisition strategy involves bundling, Ordering Activities identify the incumbent contractors and contracts affected by the bundling, and address the extent and results of the market research and indicate their impact on the various elements of the plan (FAR Parts 2, 7, 10, and 19). If the strategy involves substantial bundling (\$2 million or more), the Agency Small Business Specialist and Head of Contracting Activity or Designee will assist in identifying alternate strategies that would reduce or minimize the scope of bundling. Bundled contracts must be cleared by the Director of OSDBU and Small Business Administration (SBA) Procurement Center Representative (PCR) using the same clearance process outlined in this Departmental Regulation for contracts not set-aside for small business participation, including those contracting actions using multiple award contracts or the Federal Supply Schedule.

This augmented regulation strengthens policies and procedures to significantly increase our oversight responsibility and agency accountability to mitigate the effects that bundling could have on small business participation in our contract and program activities. This process will ensure that evaluation and review results are incorporated in the agencies overall performance and use of small businesses.

7. Planned training to contracting staff/managers in executing small business/ socioeconomic procurements during the period.

Continuing and Planned Actions:

- SDVOSB E-learning. OSDBU staff has developed an on-line training module Contracting with Service Disabled Veteran-Owned Small Businesses (SDVOSBs), which is now available on AGLearn (USDA's electronic learning system). OSDBU staff strongly recommends that all agency contracting officers, program officials and purchase card holders utilize this module, to increase awareness of the SDVOSB program and to understand their roles and responsibilities. Upon successful completion individuals will receive 1 Continuing Education Credit.

This E-learning initiative is a result of Executive Order 13360, requiring heads of Federal agencies to develop a strategy to strengthen opportunities in Federal contracting for SDVOSBs. The Order mandated that strategies include varied methodologies for training procurement staffs on the laws and policies related to contracting with SDVOSBs. This deliverable contained in USDA's Strategy is intended to facilitate training staff at Headquarters and in the Field and will increase the Department's ability to achieve the overall 3 percent for SDVOSBs.

- Forecast of Contracting Opportunities. USDA's current automated system for collecting and reporting on the annual "Forecast of Contracting Opportunities" (the Forecast) was introduced in FY 2003. The original intent was to improve the collection and compilation of data from widely disbursed contracting activities and to provide better search tools for small businesses seeking to understand what specific products and services USDA buys year in and year out and, for many such businesses, how they may take the first step towards doing business with USDA.

For the initial roll out of the system the contractor prepared a detailed, 35 page documentation booklet and conducted "hands on" training for all agency small business specialists, the OSDBU staff and any other interested agency personnel. The documentation has been updated and maintained since then by OSDBU staff and is available to everyone including new employees as they rotate into their positions. Additional training sessions are conducted annually before the data call for the annual forecast targeting employees new to the process of developing the forecast. The OSDBU staff is also available by phone for additional support as needed during the process of collecting and verifying the forecast data.

The Forecast was originally vetted by making a comparison between actual data downloaded from the Federal Procurement Data System and the data as reported in the Forecast system. OSDBU staff continues this analysis comparing successive iterations of the Forecast to data from the FPDS to confirm the heads of the contracting agency certifications that the Forecast fairly represents the products and services that USDA purchases each year. Each year when the forecast is revised and during the year when the forecast is updated the OSDBU staff compares the forecast with historical data and trends and discusses differences with the agency personnel suggesting changes and improvements as needed.

These Forecast analyses are also used to update power point presentations which are used by the OSDBU staff to explain how the Forecast is developed and how it can be used by small businesses interested in doing business with USDA. These presentations take place at various outreach conferences held at USDA and elsewhere.

- Small Business Internet and Intranet Sites. OSDBU will maintain Internet and Intranet sites on its Small Business Programs. These websites contain USDA's overall program direction, critical documents, and links to laws, regulations, and external contracting tools and resources.
- Small Business Orientation and Training. OSDBU staff will provide orientation and training to USDA Agency Small Business Specialists. This is provided in one-on-one sessions as well as during quarterly meetings.
- Small Business Presentations. OSDBU staff will provide formal presentations to USDA's contracting community, when requested, and presents training modules at

USDA contracting conferences. OSDBU has developed a standard presentation that outlines Federal and USDA Small Business Programs.

- Small Business Training and Special Emphasis Topics. OSDBU and others in the USDA small business and contracting communities will invite external speakers to address small business requirements.
- eSRS. To support full implementation of the Electronic Subcontracting Reporting System (eSRS). Agency and contractor personnel have been trained. USDA will regularly review eSRS to ensure agencies and businesses are reporting. The OSDBU Subcontracting Program Manager oversees the Subcontracting Program, represents USDA at eSRS meetings, and is the USDA voting member of the Change Control Board. Additional training will be provided to agency small business and contracting personnel.

8. Planned to collaborate with SBA on formulation of small business procurement policy initiatives during the period.

USDA's OSDBU regularly attends SBA meetings addressing the formulation of small business procurement policy initiatives. USDA is an active member and well regarded member of the Federal small business community sharing policy documents and best practices. USDA comments on proposed laws and regulations affecting small business. USDA keeps abreast of upcoming proposals and is keenly aware of the Federal-wide concerns and small business issues. In addition, USDA works cooperatively with SBA on outreach and targeting initiatives.

Continuing and Planned Actions:

- SBA Procurement Advisory Council (PAC) and Subcommittees. USDA OSDBU Director and senior level staff routinely attend SBA PAC and Subcommittee meetings. They participate in small business policy initiative formulation, review policy proposals, and work in a collegial and professional fashion to advance Federal small business policy, strategies, and goals.
- OSDBU Directors' Council. USDA's OSDBU Director and senior staff actively participate in the OSDBU Directors' Council and have since its inception. Mr. James House, Director, OSDBU, currently chairs the Council. Under his leadership, the Council addresses proposed small business policy issues and initiatives from Federal-wide and Agency perspectives and provides input to SBA from the Council.
- Policy Development. USDA food programs necessarily rely on large purchases of bulk agricultural commodities and processed food commodities. Commodity firms are typically very large and vertically integrated. There are few small businesses present in this industry sector. USDA will develop comprehensive policy proposals for food commodities contracting to maximize the opportunities for small businesses to engage as prime contractors and subcontractors in USDA commodity purchasing.
- Best Practices. USDA OSDBU will continue to work with SBA to document and share best practices for small business development and small business contracting strategies

with other federal agencies and with the small business community through web postings, formal presentations as well as informal communications.

- Participate with SBA on Outreach and Targeting initiatives.
 - Small Business Administration 8(a) Orientation. OSDBU will continue to participate in the SBA 8(a) Orientations held on the third Tuesday of each month at the SBA District Office. The sessions are held to provide training and information to newly certified 8(a) companies. The orientations provide the participants the opportunity to hear from successful participants and learn marketing strategies to effectively market the Federal Government. It also provides a forum for networking within the government contracting industry and private sector with connections they can use to successfully partner with other small businesses located in the Washington Metropolitan area.
 - SBA Business-to-Business Matchmaking Event. OSDBU or agency representatives will continue to participate and support all Business-to-Business Matchmaking Regional Events that are held in a series of sessions scheduled throughout the Fiscal Year across the country. The events are co-sponsored by the Small Business Administration, SCORE and the Hewlett Packard Corporation and are designed to stimulate jobs and business development for small businesses. The event provides the opportunity for qualified small businesses to meet with government procurement personnel for scheduled 15 minute appointments to discuss technical solutions and exchange information on how they can assist them in meeting their contract requirements; as well as explore subcontracting opportunities with most of the government's large prime contractors.

The Business Matchmaking events also provide information exchange and education through workshops targeting marketing to the government, financing strategies and networking.

9. Agency submits all strategic plans and reports that became due to SBA during the reporting period.

OSDBU will continue to submit all plans and reports by the required deadline as communicated to USDA by SBA, as it has in previous years. These include the following reports:

- Service Disabled Veteran-Owned Small Business Accomplishments Report for Fiscal Year 2008
- Contract Bundling Status Report for Fiscal Year 2008
- Goaling Letter Fiscal Year 2008-2009
- Small Business Competitive Demonstration Program Report for Fiscal Year 2008
- Corrective Actions to Address Unmet FY 2007 Socio-Economic Goals Fiscal Year 2007
- Progress Report on Increasing Opportunities for Women-owned Small Businesses for Fiscal Year 2009
- Small Business Innovation Research (SBIR) Annual Report for Fiscal Year 2007
- Federal Procurement Data Verification and Validation December 2008